

# House File 504

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HOUSE FILE 504

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1 3 AN ACT  
1 4 RELATING TO FRAUDULENT USE OF A CREDIT CARD, SCANNING  
1 5 DEVICE, OR REENCODER, AND PROVIDING A PENALTY.  
1 6  
1 7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
1 8  
1 9 Section 1. Section 715A.6, subsection 2, Code 2003, is  
1 10 amended to read as follows:  
1 11 2. An offense under this section is a class "~~D~~" "C" felony  
1 12 if the value of the property or services secured or sought to  
1 13 be secured by means of the credit card is greater than ~~one ten~~  
1 14 thousand dollars. If the value of the property or services  
1 15 secured or sought to be secured by means of the credit card is  
1 16 greater than one thousand dollars but not more than ten  
1 17 thousand dollars, an offense under this section is a class "D"  
1 18 felony, otherwise the offense is an aggravated misdemeanor.  
1 19 Sec. 2. Section 715A.6, Code 2003, is amended by adding  
1 20 the following new subsection:  
1 21 NEW SUBSECTION. 3. For purposes of this section, the  
1 22 value of the property or services is the highest value of the  
1 23 property or services determined by any reasonable standard at  
1 24 the time the violation occurred. Any reasonable standard  
1 25 includes but is not limited to market value within the  
1 26 community, actual value, or replacement value. If property or  
1 27 services are secured by two or more acts from the same person  
1 28 or location, or from different persons by two or more acts  
1 29 which occur in approximately the same location or time period  
1 30 so that the acts are attributable to a single scheme, plan, or  
1 31 conspiracy, the acts may be considered as a single act and the  
1 32 value may be the total value of all property or services  
1 33 involved.  
1 34 Sec. 3. NEW SECTION. 715A.10 ILLEGAL USE OF SCANNING  
1 35 DEVICE OR REENCODER.  
2 1 1. A person commits a class "D" felony if the person does  
2 2 any of the following:  
2 3 a. Uses a scanning device to access, read, obtain,  
2 4 memorize, or store, temporarily or permanently, information  
2 5 encoded on the magnetic strip or stripe of a payment card  
2 6 without the permission of the authorized user of the payment  
2 7 card, and with the intent to defraud the authorized user, the  
2 8 issuer of the authorized user's payment card, or a merchant.  
2 9 b. Uses a reencoder to place information encoded on the  
2 10 magnetic strip or stripe of a payment card onto the magnetic  
2 11 strip or stripe of a different card without the permission of  
2 12 the authorized user of the card from which the information is  
2 13 being reencoded, and with the intent to defraud the authorized  
2 14 user, the issuer of the authorized user's payment card, or a  
2 15 merchant.  
2 16 2. A second or subsequent violation of this section is a  
2 17 class "C" felony.  
2 18 3. As used in this section:  
2 19 a. "Merchant" means an owner or operator of a retail  
2 20 mercantile establishment or an agent, employee, lessee,  
2 21 consignee, officer, director, franchisee, or independent  
2 22 contractor of such owner or operator. A "merchant" also means  
2 23 a person who receives from an authorized user of a payment  
2 24 card, or someone the person believes to be an authorized user,  
2 25 a payment card or information from a payment card, or what the  
2 26 person believes to be a payment card or information from a  
2 27 payment card, as the instrument for obtaining, purchasing, or  
2 28 receiving goods, services, money, or anything else of value  
2 29 from the person.  
2 30 b. "Payment card" means a credit card, charge card, debit  
2 31 card, or any other card that is issued to an authorized card  
2 32 user and that allows the user to obtain, purchase, or receive  
2 33 goods, services, money, or anything else of value from a  
2 34 merchant.  
2 35 c. "Reencoder" means an electronic device that places  
3 1 encoded information from the magnetic strip or stripe of a  
3 2 payment card onto the magnetic strip or stripe of a different  
3 3 payment card.  
3 4 d. "Scanning device" means a scanner, reader, or any other  
3 5 electronic device that is used to access, read, scan, obtain,

3 6 memorize, or store, temporarily or permanently, information  
3 7 encoded on the magnetic strip or stripe of a payment card.

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3 11 CHRISTOPHER C. RANTS  
3 12 Speaker of the House

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3 16 MARY E. KRAMER  
3 17 President of the Senate

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3 19 I hereby certify that this bill originated in the House and  
3 20 is known as House File 504, Eightieth General Assembly.

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3 24 MARGARET THOMSON  
3 25 Chief Clerk of the House

3 26 Approved \_\_\_\_\_, 2003

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3 30 THOMAS J. VILSACK

3 31 Governor